

7561

RECORDATION NO. _____ Filed & Recorded

JUL 5 1974 - 2 39 PM

CONDITIONAL SALE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of May 31, 1974, by and between the REPUBLIC NATIONAL BANK OF DALLAS, with its principal office in the City of Dallas, Texas (hereinafter called "Seller"), and MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation organized under the laws of the State of Delaware, with its principal office in the City of Dallas, Texas (hereinafter called "Railroad").

WITNESSETH:

WHEREAS, on November 5, 1965, C.I.T. Financial Services Corporation did lease to Railroad certain maintenance-of-way equipment and other railroad equipment described in Schedule A attached to said lease dated November 5, 1965; and

WHEREAS, said lease will terminate by its terms at the expiration of eight years after the acceptance by Railroad of each unit of equipment, as set forth in paragraph 3 of said lease, and Railroad desires to acquire same upon termination of said lease; and

WHEREAS, as a means of financing Railroad's cost of acquisition and at the request of Railroad, Seller has purchased various units of said leased equipment, as hereinafter more fully described, in their then present condition from C.I.T. Financial Services Corporation as agent of C.I.T. Leasing Corporation and as owner thereof; and

WHEREAS, Railroad desires to purchase and Seller desires to sell to Railroad those units of said Equipment which Seller has acquired or will acquire by purchase from C.I.T. Financial Services Corporation:

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements hereinafter set forth, Seller and Railroad do hereby agree as follows:

1. SALE.

The Seller, following its acquisition of said Equipment from its present owner, will sell to the Railroad and the Railroad will purchase from Seller and pay therefor as hereinafter set forth said maintenance-of-way equipment and other railroad equipment as more particularly described in Exhibit A, attached hereto and made a part hereof, all of said equipment or any unit thereof being hereinafter referred to as "Equipment."

2. PURCHASE PRICE AND PAYMENT.

The total purchase price of all said Equipment described in Exhibit A, attached hereto, shall be \$109,669.10, which sum Railroad hereby agrees to pay to Seller at its office in Dallas, Texas, the aforesaid price of all said Equipment to be paid following transfer of possession of each unit of said Equipment to Railroad as purchaser as follows:

(a) One-fifth (20%) of purchase price of each unit of said Equipment as set forth in Exhibit A attached hereto shall be paid by Railroad to Seller promptly upon receipt by Railroad of Seller's notice that it will acquire ownership of any unit of said Equipment, provided that upon completion of the sale of all of said Equipment, the amounts so paid by Railroad shall not be less than \$22,000.00.

(b) Four-fifths (80%) of the total purchase price for each of the units of said Equipment so conveyed, but not to exceed \$90,000.00 (being the deferred purchase price thereof), shall be paid by Railroad in thirty-six (36) consecutive equal monthly installments, each of which said installments is not to exceed the principal amount of \$2,500.00, the first installment to be due and payable on September 1, 1974, and each subsequent installment on the following first day of each month thereafter with the last installment being due and payable on August 1, 1977, together with interest from the date of first advance hereunder on the amount of the balance remaining unpaid from time to time at a rate one-half of one per cent per annum over the prime interest rate of the Republic National Bank of Dallas, Texas, as it exists from day to day.

3. TAXES.

All payments to be made by the Railroad hereunder will be free of expenses to the Seller for collection or other charges and of the amount of any local, state, or Federal taxes (other than Federal and State income and excess profits taxes) or licenses hereafter levied or imposed directly upon, or measured by, this agreement and/or any sale, use, payment, shipment, or delivery under the terms hereof, all of which expenses, taxes, and licenses, the Railroad assumes and agrees to pay in addition to the purchase price of said Equipment. The Railroad will also pay promptly all taxes and assessments which may be imposed upon said Equipment or for the use thereof or upon the earnings arising therefrom or the operation thereof by any jurisdiction in which the Equipment is operated by the Railroad. If any such expenses or taxes shall have been paid by the Seller, the Railroad shall reimburse Seller on presentation of invoice, and any sums of money so paid by Seller shall be secured by and under this contract.

4. TITLE TO THE EQUIPMENT.

The Seller shall and hereby does retain the full legal title to and property in the Equipment until the Railroad shall have made all of the payments and shall have kept and performed all of the covenants in this Agreement provided to be made, kept, or performed by the Railroad notwithstanding the possession of the Equipment and the use thereof by the Railroad as herein provided. Any and all replacements of the Equipment and of parts thereof or of any replacements thereof and additions thereto shall constitute accessions to the Equipment and be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

The Railroad, so long as it shall not be in default under this Agreement, shall be entitled to the possession and use of the Equipment as herein provided, subject to the terms and conditions herein contained.

Upon the request of Seller, the Railroad will cause each unit of Equipment to be kept numbered with its identifying number and will keep and maintain, plainly, distinctly, permanently, and conspicuously stenciled on each side of the Equipment the name of the Seller or of the Seller's Assignee, as the case may be, in letters of not less than one inch in height followed by the word "Owner" or other appropriate words designated by the Seller. The Railroad will cause such markings to be placed upon each unit of Equipment as soon as practicable after the execution of this Agreement. The Railroad will not change the numbers of the Equipment without first notifying the Seller in writing.

Except as above provided, the Railroad will not allow the name of any person, association, or corporation to be placed on the Equipment or any replacements thereof as a designation that might be interpreted as a claim of ownership; provided, however, that the Railroad may cause the Equipment to be lettered with appropriate words or marks for convenience of identification of the Railroad's interest therein.

When the Seller has been paid the full purchase price for the Equipment, together with interest and any and all other payments as herein provided, and all of the Railroad's covenants and conditions herein contained have been performed by the Railroad, absolute right, title to, and property in the Equipment shall pass to and vest in the Railroad without further transfer or action on the part of the Seller, except that the Seller will execute and deliver to the Railroad a Bill of Sale of the Equipment transferring the title to and property in them to the Railroad free and clear of all liens and encumbrances created or retained hereby and will execute for record or for filing in public office such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Railroad to the Equipment.

No invoice issued prior to the complete performance of this contract shall operate to pass title to said Equipment to Railroad.

5. WARRANTIES.

SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, WHICH EXTEND BEYOND THE DESCRIPTION OF THE EQUIPMENT LISTED IN EXHIBIT A ATTACHED HERETO. SELLER WARRANTS TITLE TO THE EQUIPMENT ONLY TO THE EXTENT OF THE TITLE RECEIVED BY IT FROM C.I.T. FINANCIAL SERVICES CORPORATION.

6. LOSS, DAMAGE, OR DESTRUCTION.

In the event of loss or destruction of or irreparable damage to any of said Equipment from any cause whatsoever until the total purchase price herein provided shall have been fully paid by the Railroad, the Railroad shall promptly and fully inform the Seller in regard to such loss or destruction. The Railroad shall promptly pay to the Seller a sum equal to the then unpaid balance applicable to any such unit of said Equipment so lost, irreparably damaged, or destroyed. The unpaid balance of any such destroyed or lost unit shall be that proportion that the unit value shown on Exhibit A bears to the entire purchase price of \$109,669.10 multiplied by the fraction of which \$90,000.00 is the denominator and the remaining unpaid deferred purchase price required to be paid in monthly installments in section 2 (b) hereof is the numerator.

7. MAINTENANCE AND REPAIR.

The Railroad will at all times maintain said Equipment in good order and repair consistent with its age at its own expense.

8. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS.

Until the total purchase price herein provided for and all other sums of money payable by the Railroad hereunder shall have been fully paid by the Railroad, the Railroad will comply in all respects with all laws of the United States and of the States and Territories in which its operations involving said Equipment may extend, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative, or judicial body exercising any power or jurisdiction over said Equipment. In the event that said laws or rules require the alteration of said Equipment, the Railroad will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules until the total purchase price herein provided shall have been fully paid by the Railroad; provided, however, that the Railroad may, in good faith, contest in any reasonable manner the application of any such law or rule which does not, in the judgment of the Seller, affect the Seller's title in and to said Equipment.

9. REPORTS AND INSPECTIONS.

The Railroad will furnish to the Seller, when requested and at least once in every year until the total purchase price herein provided shall have been fully paid by the Railroad, an accurate inventory of the Equipment in actual service, the numbers and description of such Equipment as may have been destroyed and paid as provided in Section 6, and the then condition and state of repair of the Equipment, and such other information regarding the Equipment as may reasonably be requested. In addition thereto, the Railroad will furnish to the Seller, if requested, once each year, until the total purchase price herein provided shall have been fully paid by the Railroad, a report of inspection by an authorized representative of the Railroad, or, if the Seller so requests, by a competent disinterested party satisfactory to the Seller, certifying that said units of Equipment have been maintained, and are in good order and repair.

The Railroad will promptly and fully inform the Seller of any loss or destruction of any of the Equipment and of any substantial repairs made or being made upon them or any of them. If requested by the Seller, the Railroad will furnish to the Seller a report of an authorized representative of the Railroad, or if the Seller so requests, of a competent disinterested party, satisfactory to the Seller, covering the nature and extent of any damage to the Equipment and the satisfactory repair thereof.

10. POSSESSION AND USE.

The Railroad, so long as it shall not be in default under the Agreement, shall be entitled to the possession of the Equipment and the use thereof upon the lines of railroad owned or operated by it either alone or jointly with another and whether under lease or otherwise, or upon the lines of railroad owned or operated by any railroad company controlled by, or under common control with, the Railroad, or over which it has track-age rights.

11. PROHIBITION AGAINST LIENS.

The Railroad will pay or satisfy and discharge any and all sums claimed by any party by, through, or under the Railroad and its successors or substitutes or assigns which, if unpaid, might become a lien or a charge upon the Equipment or any of them superior to the title of the Seller therein, but shall not be required to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title of the Seller in and to the Equipment. The Railroad shall notify the Seller of any contest it makes of any such charges, and, in the event the Seller deems that its rights in the Equipment may be jeopardized by such contest, the Railroad will, on the Seller's demand, pay such contested charges with such reservation as may be appropriate. Any sum of money paid by the Seller in discharge of liens or encumbrances on said Equipment shall be an obligation of the Railroad and shall be secured by and under this contract.

12. RAILROAD'S INDEMNITIES AND GUARANTEES.

The Railroad will save, indemnify, and keep harmless the Seller from and against all losses, damages, injuries, claims, and demands whatsoever, regardless of the cause thereof, arising on account of the Equipment or the use or operation thereof. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the purchase price and the conveyance of the Equipment as provided in Article 4, hereof, or the termination of this Agreement in any manner whatsoever.

The Railroad will bear the risk and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any or all of the Equipment.

13. ASSIGNMENTS.

All or any of the rights, benefits and advantages of the Seller under this Agreement, including the right to receive the payments herein provided to be made by the Railroad, and the rights of repossession, may be assigned by the Seller and reassigned by any assignee at any time and from time to time, provided, however, that no such assignment shall relieve the Railroad of its obligation to the Seller under Article 11, hereof, and this Article 13, or any other obligation which, according to its terms and content, is intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Railroad, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Seller's right, title, and interest in and to the subject Equipment and each and every unit thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Railroad of the notification of any such assignment, all payments thereafter to be made by the Railroad hereunder shall, to the extent so assigned, be made to the assignee.

In the event of any such assignment, or successive assignments by the Seller, of title to the Equipment and of the Seller's rights hereunder in respect thereof, the Railroad will, whenever requested by such assignee, change the stencil markings on each side of each unit of the Equipment so as to indicate the title of such assignee to such unit and its succession to the rights of the Seller hereunder, such markings to bear such words or legend as shall be specified by said assignee, subject to requirements of the laws of the States in which the Equipment shall be operated relating to such marking for use on equipment covered by conditional sale agreements relating to railroad equipment. The cost of additional stenciling in connection with any subsequent assignment will be borne by Seller or its assignee.

14. SUCCESSORS TO AND ASSIGNMENTS BY THE RAILROAD.

The Railroad hereby represents and warrants that its execution of this Agreement and its assumption and undertaking of the obligations, duties, and liabilities hereof have been expressly authorized and that all of the obligations of the Railroad then existing or to accrue under this Agreement shall be assumed as a general obligation by any person or corporation acquiring title to or possession of the railways and properties of the Railroad, and that upon any sale, lease, transfer, or assignment of said railways or properties, any person or corporation acquiring title thereto or possession thereof shall also, as a condition to such acquisition, be bound by all such obligations.

The Railroad will not sell, assign, transfer, or otherwise dispose of its rights under this Agreement nor transfer possession of said Equipment to any other firm, person, or corporation without first obtaining written consent of the Seller to such sale, assignment, or transfer.

15. DEFAULTS.

In the event that any one or more of the following events of default shall occur, to wit:

(a) The Railroad fails to pay in full when due any installment of principal or of interest at the time and in the manner hereinbefore contracted to be paid as provided in Article 2, hereof; or

(b) The Railroad shall, for more than 30 days after the Seller shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term, or provision of this Agreement on its part to be kept and performed; or

(c) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, is filed by or against the Railroad and the trustee or trustees fail to adopt this Agreement within 30 days of the date of his or their appointment unless such petition is dismissed prior to the expiration of such 30 days; or

(d) Any proceedings are commenced by or against the Railroad for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions, or extensions other than a proceeding under section 20b of the Interstate Commerce Act and the trustee or trustees or receiver or receivers appointed for the Railroad or for its property in connection with such proceedings fail to adopt and assume and agree to perform the terms and obligations of this Agreement within 30 days of the date of his or their appointment, unless such proceedings are dismissed prior to the expiration of such 30 days; or

(e) The Railroad transfers or attempts to transfer its interest in or under this Agreement without the consent of the Seller;

then at any time after the occurrence of such an event of default, the Seller may, upon written notice to the Railroad and upon compliance with any legal requirements then in force and applicable to such action by the Seller, declare the entire purchase price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter to the extent legally enforceable the entire sum shall bear interest at the rate of one and one-half per cent (1½%) per month, and the Seller shall be entitled to judgment for the whole amount so due from the Railroad with interest at said rate, together with costs and expenses incurred by Seller or its assignee, including reasonable attorneys' fees, and to collect said judgment out of any of the Railroad's property.

If the Railroad shall have paid all costs and expenses of the Seller incidental to any such default and to the enforcement by the Seller of the provisions hereof, including reasonable attorneys' fees, and all sums which shall then have become due and payable by the Railroad hereunder, other than such part of said purchase price as shall have become due only because of a declaration under this paragraph as aforesaid, and all other existing defaults shall have been remedied, or provisions therefor satisfactory to the Seller shall have been made, then and in every such case the Seller may waive any such event of default and its consequences and rescind and annul any such declaration or termination by notice to the Railroad in writing to that effect, and thereupon the respective rights of the parties shall be as

they would have been if no such cured default had existed and no such declaration or termination had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Railroad that time is of the essence of this Agreement and that no such waiver, rescission, or annulment shall limit or affect the Seller's right, upon any other default, or impair any right or remedies consequent thereon.

16. REMEDIES.

If the Railroad makes default as hereinabove provided, then at any time after such notice of declaration of default and during the continuance of such default, the Seller may, without further notice or demand except to the extent necessary in order to comply with any legal requirements, take or cause to be taken by its agent or agents immediate possession of the Equipment or any of them, and/or any replacements and improvements, and all present and future attachments and accessories thereof, without liability to return to the Railroad any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from the use and possession of the Railroad and for such purpose may enter upon the Railroad's premises where the Equipment may be located, and may use and employ in connection with such removal any supplies, services, and aids, and any available trackage and other facilities or means of the Railroad, with or without process of law; and the Railroad shall deliver the Equipment with all replacements, improvements, attachments, and accessories thereof, at its own cost at such place or places on its railroad as the Seller may reasonably designate and for such purpose move the Equipment in the usual manner and at the customary speed of trains, and in case of such retaking or delivery, the Seller shall have the right to store the same upon the premises of the Railroad without charge until the Seller shall desire to remove the same therefrom but not in excess of six months. It is hereby expressly agreed by the Railroad that performance of this agreement to deliver the Equipment as hereinbefore provided is of the essence of the Agreement between the parties and that, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Railroad requiring specific performance hereof. It is further expressly agreed by the Railroad that until the Seller shall have given notice of its election to retain possession of the Equipment or until the sale of the Equipment as hereinafter provided in this Article 16, the Railroad shall not be released from any of its obligations hereunder, including, but not by way of limitation, its obligations under Article 3, hereof.

If the Railroad makes default, as hereinbefore provided, then at any time thereafter during the continuance of such default, and after declaring the entire purchase price immediately due and payable as hereinbefore provided, the Seller, with or without retaking possession thereof, may, at its election, sell the Equipment, or any of them, and any such replacements, improvements, attachments, and accessories, free from any and all claims of the Railroad, or of any other party claiming by, through, or under it at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, all subject to and in compliance with any legal requirements then in force and applicable to such sale; and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Seller in taking possession of, removing, storing, and selling the Equipment, shall be credited on the amount due to the Seller under the provisions of this Agreement, including taxes and other charges imposed upon the Seller in connection with said Equipment.

To the extent permitted by any such legal requirements, any sale hereunder may be held or conducted at such place or places and at such time or times as the Seller may fix, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and, in general, in such manner as the Seller may determine in compliance with any such legal requirements, provided that the Railroad shall be given written notice of such sale as provided in any such applicable legal requirements, but in any event no less than ten (10) days prior thereto, by telegram or registered mail addressed to the Railroad at 701 Commerce Street, Dallas, Texas 75202. To the extent not prohibited by any legal requirements then in force and applicable to such sale, the Seller may itself bid for and become the purchaser of the Equipment, or any of them, so offered for sale without accountability to the Railroad (except to the extent of surplus money received as hereinafter provided in the next to the last paragraph of this Article 16), and in payment of such purchase price, the Seller shall be entitled to the extent aforesaid to have credited on account thereof all sums due to the Seller by the Railroad hereunder.

Each and every power or remedy hereby specifically given to the Seller shall be in addition to every other power or remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed to be a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy, or shall be construed to be a waiver of any default or any acquiescence.

If, after applying all sums of money realized by the Seller under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Railroad shall and it hereby undertakes and promises to pay the amount of such deficiency to the Seller upon demand, and if the Railroad fails to pay such deficiency, the Seller may bring suit therefor and shall be entitled to recover a judgment therefor against the Railroad. If, after applying as aforesaid all sums realized by the Seller, there shall remain a surplus in the possession of the Seller, such surplus shall be paid to the Railroad.

The Railroad will pay all reasonable attorneys' fees and other reasonable expenses incurred by the Seller in enforcing its remedies under the terms of this Agreement. In the event that the Seller brings any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Seller may recover reasonable attorneys' fees, and other reasonable expenses and the amount thereof shall be included in such judgment.

17. APPLICABLE STATE LAWS.

Any provision of this Agreement prohibited by any applicable law of any State, shall as to such State be ineffective, without modifying the remaining provisions of this Agreement.

The Railroad, to the fullest extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of the Equipment and to sell said Equipment and any other requirements as to the time, place, and terms of sale thereof, any other requirements with respect to the enforcement of the Seller's rights hereunder, except such notices as are expressly required by the terms of this agreement, and any and all rights of redemption.

18. EXTENSION NOT A WAIVER.

Any extension of time granted by the Seller to the Railroad for the payment of any sum due under this Agreement, whether that extension be for an immediate payment or for final payment, shall not be deemed a waiver of the title of the Seller reserved hereunder nor of any of its rights and remedies hereunder or otherwise existing.

19. RECORDING.

The Railroad will cause this Agreement, any assignments hereof or any interests herein and any supplements hereto or thereto, to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; and also will record any financing statements in accordance with the applicable laws of the States of Texas, Oklahoma, Kansas, and Missouri, as may be necessary. The Railroad will from time to time do and perform any other act and will execute, acknowledge, deliver, file, and record any and all further instruments required by law or reasonably requested by the Seller for the purpose of proper protection, to the satisfaction of counsel for the Seller, of its title to or interest in said Equipment and its rights under this Agreement; and the Railroad will promptly furnish to the Seller certificates, financing statements, or other evidences of such filing and recording, and an opinion or opinions of counsel for the Railroad with respect thereto, satisfactory to the Seller.

20. PAYMENT OF EXPENSES.

The Railroad will pay all costs, taxes, charges and expenses, and also the counsel fees of the Seller incident to the preparation, printing, execution, acknowledgment, filing, registering, and recording of this Agreement and of any instrument supplemental hereto or amendatory hereof and of any declaration of the payment in full of the purchase money due hereunder, and of the replacement or replacements of said Equipment.

21. NOTICE.

Any notice hereunder to the Railroad shall be deemed to be properly served if delivered or mailed to the Railroad at 701 Commerce Street, Dallas, Texas 75202, or at such other address as may have been furnished in writing to the Seller by the Railroad. Any notice hereunder to the Seller shall be deemed to be properly served if delivered or mailed to the Seller at its office in Dallas, Texas, or at such other address as may have been furnished in writing to the Railroad by the Seller. Any notice hereunder to any assignee of the Seller or of the Railroad shall be deemed to be properly served if delivered or mailed to such assignee at such address as may have been furnished in writing to the Seller or the Railroad, as the case may be, by such assignee.

22. EXECUTION OF COUNTERPARTS.

This Agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together will constitute but one and the same contract, which will be sufficiently evidenced by any such original counterpart.

23. ARTICLE HEADINGS.

All article, paragraph, or division headings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.

24. EFFECT AND MODIFICATION OF AGREEMENT.

This Agreement of conditional sale, together with the specifications hereinabove referred to, constitutes the entire agreement between the Railroad and the Seller with respect to the sale of the Equipment herein referred to. No variation or modification of this Agreement and no waiver of any of its provisions or conditions will be valid unless in writing and signed by its duly authorized officers of the Seller and of the Railroad.

25. LAW GOVERNING.

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, REPUBLIC NATIONAL BANK OF DALLAS has caused these presents to be executed and its seal to be affixed by its duly elected and authorized officers pursuant to lawful resolutions; and MISSOURI-KANSAS-TEXAS RAILROAD COMPANY has caused these presents to be executed and its seal to be affixed by its duly elected and authorized officers pursuant to lawful resolutions, all as of the day, month, and year first above written.

REPUBLIC NATIONAL BANK OF DALLAS

By Richard H. Chesley
Vice President

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

By J. H. Carter
Vice President

ATTEST:

J. B. Bass
Assistant Secretary

EXHIBIT A

M-K-T Unit Nos.	<u>Item of Equipment</u>	<u>Serial Nos.</u>	<u>Unit Count</u>	<u>Unit Price</u>	<u>Total Price</u>
<u>RM-</u>					
697	Tie Handler	66000-139	5	\$3,200	\$16,000
698	"	66000-140			
699	"	66000-142			
765	"	404377			
766	"	401			
700	Jr. Electro. Tamper	6525	3	9,000	27,000
757	"	6816			
764	"	6826			
708	Ballast Regulator	4FW-378	1	3,000	3,000
709	Broom Attachment	2FB-505	1	3,000	3,000
738	Trackliner	758	1	2,100	2,100
739	Line Indicator	908	1	2,100	2,100
740	Air Compressor	85MR40145	3	700	2,100
741	"	85MR40144			
743	"	85MR40136			
744	Tractor	TC134042	5	500	2,500
745	"	TC134268			
746	"	TC135339			
747	"	TC135340-6D15			
748	"	TC134267-6D14			
758	Tie Bed Scari-	HS-243 (Model	2	4,000	8,000
759	fier/Inserter	HS-242 No.)			
760	Oval Tie Saw and	DTS-308	2	4,000	8,000
761	Tie End Remover	DTS-307			
770	Track Surfacer	509	2	1,000	2,000
771	Wire	510			
768	Gradall	20511	1	15,000	15,000
6044	Hydrashift Engine Lathe	IW-2F5R-225	1	2,500	2,500
					<u>\$93,300</u>
701	Kalamazoo Handyman	2D-17893	1	2,076.95	2,076.95
702	Tie Hydronewer	999	4	465.22	1,860.88
703	"	1000			
704	"	1001			
705	"	1002			
706	Anchor Applica-	5212279	2	740.34	1,480.68
707	cator	5212361			
710	Ford Tractor	111695	6	535.25	3,211.50
711	"	111700			
712	"	111564			
750	"	C-136982			
751	"	C-136983			
752	"	C-136984			
762	Railroad Crane	11921	2	3,632.69	7,265.38
763	with Magnet	11924			
767	Fairmont Rail Lifter	229391	1	219.60	219.60
749	Hydraulic Spike	228925	1	254.11	254.11
					<u>\$16,369.10</u>
TOTAL:					\$109,669.10